B. C. VEGETABLE MARKETING COMMISSION

CHAIRMAN'S REPORT

MARCH 1983

It is my privilege to report to you after the end of the calendar year, which co-incidentally is the end of the Commission's fiscal year, on the events, happenings, financial status, etc. of the past year.

A copy of the audited financial statement of the Commission is attached for your perusal. This statement covers the period January 1, 1982 to December 31, 1982 with comparative figures for 1981. You will notice that we are in a strong and healthy position cash-wise. This was achieved through a slight increase in commission fees, prudent management of our financial resources and control of travelling and other expenses of a similar nature. We are right on budget and able to commence the start of a public relations and promotion program approved by the Commission but delayed because of the poor crops of 1981 which brought much lower revenue to the Commission. More of this program later.

MARKETS: 1982 was not a good market year in any sense of the word. 1980 and 1981 had seen reasonable returns to the producer for product coming to market and what we feared would happen did when the product of 1982 plantings started coming to market. Surplus supplies and lowering prices were the order of the day. Another factor that affected prices were the large number of home gardens throughout the province. Home garden seed suppliers claim they have not had as good a sales year in the past decade. We kept in close touch with the U.S. D.A. market reports from south of the border but soon came to realize, as the season wore on, that prices quoted were, more often than not, what they hoped to get for product--not what it was actually selling for. This was particularly true with potatoes.

Other crops did not escape the financial ravages of oversupply. Onions were selling for $2.00 per 50 lbs. when we applied for surtax. They have since dropped to $1.25. The greenhouse industry, supplies of long english cukes and tomatoes had a battle throughout the year against distressed priced field product from California and Florida. Cauliflower growers found themselves in a head on battle with new and vast production in the Mount Vernon area and that product was being offered at distressed prices in B.C.

Distressed priced American product was seen everywhere in B.C. -- on the Island, the Mainland and in the Interior. Early in September the Commission, all of the agencies in concert with the western provinces applied for surtax on potatoes. We expected a fast response to the documentation on market damage supplied to Ottawa with this request as potatoes are a named product for "fast track" application of surtax. Two weeks later we applied for surtax on yellow onions and did receive a response making surtax applicable October 15th with increments applicable for November and December. This surtax has been extended to March 15th and a further application to extend it to the full 180 days was made in late February. We finally received a letter from Finance advising us our request for surtax on potatoes was rejected on February 17th. The application made for tomatoes, which was submitted even before the application for potatoes, has never been responded to.

In the meantime, as harvesting concluded in eastern Canada the fact there were extreme surpluses in onions, potatoes and carrots rose to the surface. The eastern surplus of onions prohibited the west from taking advantage of the increased November surtax rate on onions. If we did we would have been selling Ontario and Quebec onions out here.

EASTERN POTATO MARKETING AGENCY. Several years ago the provinces from Ontario east, excluding Newfoundland, commenced work to form an Eastern Potato Marketing Agency. Your commission has monitored the development and terms of this carefully during this time. When the 7th draft of this proposed agency was published we discussed the developing situation with our agencies in B.C. for several other actions had taken place to lead us to believe our markets could suffer further if this agency was proclaimed. In 1982 the state of Maine laid a charge against the volume, grading and classification of potatoes being shipped into the Northeastern States. A special U.S. International Trade Commission hearing on this was held in mid 1982 and all Canada banded together to defend the charges. About a month ago Maine laid an anti-dumping petition against Canada. It then became evident to your Commission that if the U.S. was successful in closing the border to Eastern potatoes they would have no other course to take than to come west and the domino effect on B.C. would be devastating.

BC
B7495
B
1982
c.1

LEGISLATIVE
VIC

B7495
1982
c.1

As there was provision in the Eastern Potato Agency plan for other provinces to join we, and our agencies, agreed B.C. would be better joining that agency if we could negotiate terms that we could live with. Our major objection to the eastern plan was there was no production or marketing control in it together with the fact if you wanted to ship from outside the regulated area into it you had to first obtain a licence to do so and then pay a service fee. This was not reciprocal. Our manager was invited to sit in as an observer at the February 10-11 meeting of the Eastern Agency and the National Farm Products Marketing Council. He found nothing but disagreement and a lack of trust among the participants. He went from that meeting to the Prairie Potato Council and on reporting his findings to other western provinces he suggested they get busy and form their own agency before we were flooded with eastern potatoes. That work is now well under way.

PROCESSING CROPS. All contracts for processing crops were settled during 1982 although two, peas and strawberries were referred to mediation on specific points. The recommendations of the mediator, Mr. M.M. (Mac) Gilchrist in both cases, were accepted by the Commission. Neither party complained about the settlements and thus the Commission feels that the change from arbitration to mediation having been used three times in two years without complaint must be serving the industry better than the former method.

PROMOTION AND PUBLIC RELATIONS. Your Commission participated in Agriculture Week sponsored by the B.C.F.A. and the Beef Stew promotion coordinated by the Fresh for Flavour Foundation and Agriculture Canada. After reviewing the results of both of these projects it is the opinion of the Commission there was not sufficient public awareness or response aroused by either program to warrant the investment, nominal though it may be. In 1981 your manager presented the Commission with a proposal for a self conducted promotional - P.R. program based on the use of radio. The Commission approved this program which would give a voice and personality to the Home Grown - B.C. quality elf which is designated for the exclusive use of B.C. vegetables. The program was sent to all Agencies for their perusal and suggestion that Ed would come at their convenience to personally present it and answer questions. Only one agency responded and they fully endorsed it. Things have changed since as the poor crops did not bring sufficient revenue to the Commission to embark on the program that year. Now we are prepared to start on this program though under the present economic conditions it will be difficult to get government contributions. Nevertheless we do intend to procede with the creation, production, obtaining C.R.T.C. approval and duplication of radio commercials on a selected number of crops. These will be made available to the agencies handling these crops. The cost -- the Commission will pay for everything but the radio time (usually the smallest part of the cost of a campaign) and the agencies will secure their own time on air. The whole object of the campaign will be to regain and increase our share of the market for products we produce. If we wait it might all be too late so we will start with a selected two or three products and see what interest they generate. It's basically a matter of self help for survivial for one only has to look at what work rice is doing trying to capture some of the potato market and above all we have to convince B.C. consumers they are helping themselves when they help themselves to B.C. products.

SINGLE DESK SALES. Your Commission has started a study on the possible benefits of setting up a single desk sales organization. The whole purpose behind this study is to seek ways to better penetrate our own markets, avoid duplication of effort and time, make more prudent purchases of equipment and supplies etc. with the ultimate goal of putting more dollars in the growers' pockets. You will be kept posted as this progresses. In a sense this is already being worked on by the Cloverdale Lettuce and Vegetable Co-op and Western Greenhouse growers who are thinking of combining their sales forces to increase their contacts and sales efforts. That's what it's all about. Things are happening at Salad Corner out in Surrey.

CHANGING FACES. During the past year Van Vanderveen, our inspector, left us and has been replaced by Lorne Pielechaty (Oh I finally learned how to spell it) Maurie King retired last year also as Asst. Deputy Minister and early last month Sig Peterson, our Deputy for the past decade decided to put his feet up also. Sig, incidentally was replaced by Gordon McEachern a former asst. deputy. Lionel Valair is retiring on April 30th and Ray Bester will replace him at the I.V.M.A. Charlie Field has left the Island Greenhouse Co-op and John Marett has replaced him. Soon Ed Pratt, our manager since 1978, will be taking his leave also. I guess it is true there is nothing so certain as change.

IN SUMMARY 1982 gave us good yields in almost every crop. Our records in the Commission office show we marketed(see following)tonnages of regulated product during the calendar year in each of the three districts and to the processing trade. Regardless of the abundance of good crops and quality in B.C. our producer returns have been eroded as has our market share by surplus production from outside the province offered at distressed prices. It was the first good harvest in three years but the prices at market made it difficult to justify the work and investment. It has not been a good year at all.

There is an old saying,"When the going gets tough, the tough get going." My sincerest advice is that we put this year behind us and, being tough,rugged people, get going. As we enter a new crop year let us all make a personal commitment to serve our markets with the best quality possible,the high quality you know you can turn out if you really make the effort and service it properly. Let's get tough, get going, work together and give no one reason to buy other than B.C. product because it's the best -- you made it that way. This is your market, let's get it back by putting out the best quality and not let someone sneak in here with something anyone can say is superior to ours.

These are difficult times for agriculture, the times when marketing boards or commissions can best serve producers. You hardly need a board or commission when product is moving fast and prices are high. When the going is rough and others are trying to take over your markets, prices are falling and sales are slow is when you need your Commission. It is your rallying point. It's your spokeman with the trade, government, consumers and media. However, it cannot be done only by the elected directors and the staff. It needs the strength of numbers, the strength of its members to prove to one and all you are united. When a meeting is called get out to it, express your points of view or opinions and stand and work together to strengthen the industry--your industry. Work with your Commission, your fellow producers and for yourself not against them. You will be surprised what can and will happen when you stand and pull together. Why you might even like it!

MARKETED TONNAGES & DOLLAR VALUES
OF REGULATED PRODUCTS FOR
DISTRICTS I, II & III

CALENDAR YEAR 1982	TONNAGE SHIPPED	DOLLAR VALUE
Interior Fresh Market	9,298	$ 1,965,343.00
Interior Processed Market	130	186,667.00
Mainland Fresh Market	50,584	20,007,032.00
Mainland Processed Market	61,620	21,233,642.00
Island Fresh Market	12,720	4,828,459.00
TOTALS	134,352	$48,221,143.00

Don Gilmore, Chairman
B.C. Vegetable Marketing Commission